

## REMARKS

Claims 19, 26, and 33 have been amended, claim 21 has been canceled, and claim 66 has been added by this Response. Thus, Claims 19-20, 22-39 and 55-66 are pending in the application. Support for the Amendments may be found throughout the specification of the instant application. More particularly, Page 7, lines 2-5 provide support for the updating of the location of the virtual product within the removable media, as claimed in Claims 19, 26, 33, and 66. Page 6, lines 16-27 provide support for the source content adhering to an MPEG-4 standard, as recited in Claim 66. Applicant hereby requests further examination and reconsideration of the application in view of the following remarks.

### *Claim Objection*

The Patent Office objected to the specification as failing to provide proper antecedent basis for the claimed subject matter. The Applicant respectfully submits that the Amendment of the Specification in this Response corrects this matter and overcomes the objection. Applicant respectfully requests the withdrawal of this objection.

### *Claim Rejection – 35 U.S.C. §102 or §103*

The Patent Office rejected claims 19-39 and 55-56 under 35 U.S.C. §102(e) as anticipated by or, in the alternative, under 35 U.S.C. 103(a) as obvious over Ebisawa, patent number 5,946,664 (hereinafter “Ebisawa”). With respect to claims 19 through 39, anticipation requires the disclosure in a single prior art reference of each element of the claim under consideration. *W.L. Gore & Assocs. v. Garlock*, 721 F.2d 1540, 220 USPQ 303 (Fed. Cir. 1983), *cert. denied*, 469 U.S. 851 (1984). Further, “anticipation requires the presence in a single prior art reference disclosure of each and every element of the claimed invention, arranged as in the claim.” *Lindemann Maschinenfabrik BmbH v. American Hoist & Derrick Co.*, 730 F.2d 1452, 221 USPQ 481, 485 (Fed. Cir. 1982) (citing *Connell v. Sears, Roebuck & Co.*, 722 F.2d 1542, 220 USPQ 193 (Fed. Cir. 1984)) (emphasis added). Similarly, to establish *prima facie* obviousness of a claimed invention,

all the claim limitations must be taught or suggested by the prior art. *In re Ryoka*, 180 U.S.P.Q. 580 (C.C.P.A. 1974). *See also In re Wilson*, 165 U.S.P.Q. 494 (C.C.P.A. 1970).

The Ebisawa reference fails to disclose, teach, or suggest the “virtual products being commercial items” and the “update the location of the virtual product”, as recited in the claims of the instant application. The Ebisawa reference is directed only to the replacement of advertisements on a billboard (Figs 1A and 1B) or on a tee shirt (Figs 2A and 2B) as stated by the Ebisawa reference as follows:

Referring now to the drawings, FIGS. 1A and 1B are pictorial representations of an auto racing game in which a commercial advertisement “A” is displayed on a billboard in FIG. 1A and a different commercial advertisement “B” is displayed on the billboard as shown in FIG. 1B. similarly, FIGS. 2A and 2B are pictorial representations of another “scene” of the auto racing program in which commercial advertisements “C” and “D”, respectively, are displayed on the clothing of the racing car driver. As seen from both set of FIGS. 1A and 1B and FIGS. 2A and 2B, advertisements “A” and “B” are displayed in the same scene of the autor racing program (of course, at different times) and advertisements “C” and “D” also are displayed in the same scene of the auto racing program.

(Ebisawa Col. 3, Lines 21-34) (emphasis added). Thus, while the Ebisawa reference teaches the replacement of advertising, Ebisawa fails to disclose, teach, or suggest, replacing commercial items within a moving content source as provided by the present invention or updating the location of the virtual product within the moving content. Examples are provided on pages 1 through 13 of the instant application where a commercial item is replaced in a moving content source. Specifically, the instant application provides the following:

Exemplary of the present invention, referring now to FIG. 7, suppose that scene 701 is a portion of a valuable moving content 700, such as a popular motion picture or video game. Suppose further that, contextually, can 703 is a can of beer. The identity of the brand of beer can 703 has a value as product placement within the moving content 700...According to the teaching of the present invention, however, the brand identity of beer can 703 may be modified to suit various business needs.

(Specification Pg. 8, Lines 19-23 and 25-27). Thus, the present invention enables the replacement of commercial items (i.e., consumer products), such as the beer can in the

present example, within various moving contents. It is further disclosed by the instant application:

As the scene vantage point and the position of an object in moving content change over time, calculations and operations to update the display and sound are performed and executed so as to render the object properly in the scene.

(Specification Pg. 7, Lines 2-5) (Emphasis added). Thus, the present invention may enable the object (i.e., commercial item) within the moving content as an interactive object. “Referring now to FIG. 5, a representative scene 501 may comprise a composition of an actor holding a can 502,” (Specification Pg. 7, Lines 6-7), whereby the can may be easily replaced, utilizing the virtual product placement enablement of the present invention, providing a variety of compositions where the actor is engaged with a variety of cans. In contrast, the Ebisawa reference, simply replaces advertisement and does not disclose, teach, or suggest enabling virtual product placement within a source content as disclosed by the instant application.

The Ebisawa reference limits its disclosure to the replacement of advertisements within game programs executable on a gaming system. However, nowhere in the Ebisawa reference is it disclosed, taught, or suggested that the virtual product may be various commercial items as disclosed by the instant application. The various commercial items, as exemplified by the beer can that is shown and described in FIG. 7, may comprise a variety of consumer products, “[s]imply put, the present invention comprises a system of replacing commercial items in moving content with other items. Such virtual product placement enables new and useful ways of doing business related thereto.” (Specification Pg. 8, Lines 7-9). Thus, the failure of the Ebisawa reference to disclose, teach, or suggest the claimed invention as defined by the claims of the present application requires its withdrawal as a basis of rejection.

As the Office is aware, obviousness cannot be established by combining the teaching of the prior art to produce the claimed invention, absent some teaching or suggestion supporting the combination. Under section 103, teachings of references can be combined only if there is some suggestion or incentive to do so. *ACS Hosp. Sys., Inc. v. Montefiore Hosp.*, 732 F.2d 1572, 221 USPQ 929 (Fed. Cir. 1984). Thus, the Office

may not use the patent application as a basis for the motivation to combine or modify the prior art to arrive at the claimed invention.

The mere fact that the prior art may be modified in the manner suggested by the Examiner does not make the modification obvious unless the prior art suggested the desirability of the modification. .... It is impermissible to use the claimed invention as an instruction manual or 'template' to piece together the teachings of the prior art so that the claimed invention is rendered obvious. This court has previously stated that "[o]ne cannot use hindsight reconstruction to pick and choose among isolated disclosures in the prior art to deprecate the claimed invention." *In re Oetiker*, 977 F.2d 1443, 24 USPQ 2d 1443 (Fed. Cir. 1992) quoting *In re Fine*, 837 F.2d 1071, 1075, 5 USPQ 2d 1596, 1600 (Fed. Cir. 1988).

In the present case, the Office has selected portions from only the Ebisawa reference to arrive at the present invention and the reference does not supply motivation for modifying the claimed invention in Ebisawa to provide the invention claimed in the instant application. Since the reference does not supply the desirability of the modification, it is respectfully submitted that a *prima facie* case of obviousness has not been established.

As the Office is well aware, Applicants are required to seasonably challenge statements by the Office that are not supported on the record. M.P.E.P. §2144.03. Further, it is noted that "Official Notice" is to be limited to instances where the facts are "capable of instant and unquestionable demonstration as being well-known". M.P.E.P. §2144.03. This is not the present situation. First, in accordance with M.P.E.P. §904 it is presumed that a full search was conducted and this search is indicative of the prior art. The Ebisawa reference fails to disclose, teach, or suggest the present invention, for the reasons stated above. The search failed to disclose a reference which would teach or suggest modifying the Ebisawa reference to achieve the present invention. The Office's assertions that it would have been obvious to use a virtual product and place the virtual product within the moving media through use of a paint process, as disclosed in instant application, in Ebisawa also fails for the reasons stated above. Consequently, the search revealed that the asserted substitution is not well-known and therefore is not entitled to be

relied upon in order to reject the present claimed invention. If the Office is unable to provide such a reference, and is relying on facts based on personal knowledge, Applicants hereby request that such facts be set forth in an affidavit from the Examiner under 37 C.F.R. 1.104(d)(2). Absent substantiation by the Examiner, it is respectfully requested that the rejection under 35 U.S.C. § 103 be withdrawn.

Thus, the Applicant respectfully submits that a *prima facie* case of anticipation and/or obviousness has not been established and requests the withdrawal of the present rejections and allowance of the claims.

Claims 20, and 22-25 are believed to be allowable based on dependence from allowable independent claim 19. Claims 27-32 are believed to be allowable based on dependence from allowable independent claim 26. Claims 34-39 are believed to be allowable based on dependence from allowable independent claim 33.

With respect to claims 55 and 56 the Ebisawa reference fails to teach, suggest, or disclose “a source content including a motion picture”, “virtual products being commercial items” and the “update the location of the virtual product”, as recited by claims 55 and 56. Instead, the Ebisawa reference focuses on disclosing a game program. The Examiner cites Col. 7, Lines 12-20, 50-60 of the Ebisawa reference for disclosing the source content is at least one of a streaming video or video stream and a video file format, these passages read as follows:

Upon receiving updated commercial advertisement data, the game program is executed and at an appropriate time, the stored data is decoded in a decoder 34 and supplied to picture controller 36 which converts the decoded data to a video signal and which supplies the video signal for display on a video monitor (not shown). Furthermore, user commands are entered on a keyboard (not shown) which is coupled to keyboard interface 32 which decodes the supplied commands and which supplies the decoded commands to system controller 30.

(Ebisawa, Col 7, Lines 12-22) (Emphasis added).

FIGS. 10A and 10B illustrate the data structure of data transmitted over two different channels of a satellite transmission. As shown, FIG. 10A shows the data transmitted on a channel G and FIG. 10B shows the data transmitted on a channel H. Channel G includes thereon data corresponding to two game programs J and K, and channel H includes thereon data corresponding to three game programs P, Q and R. If the

executed game program corresponds to, for example, game J on channel G, receiver 40 is controlled to receive data transmitted on channel G, and upon receipt of software identification data J on channel G, advertising data...

(Ebisawa, Col. 7, Lines 50-60) (Emphasis added). Thus, the Ebisawa reference does disclose a game program as a source content. By contrast Claims 55 and 56 of the present invention recite a source content including a motion picture. As stated above the Ebisawa reference also fails to disclose, teach, or suggest the virtual product being commercial items and/or the updating of the location of the virtual product. Therefore, the Applicant respectfully submits that the Ebisawa reference does not carry the burden of anticipation under §102(e) or a showing of obviousness over §103(a). Applicant respectfully requests withdrawal of the §102(e) and §103(a) rejections and allowance of claims 55 and 56.

The Patent Office rejected claims 57-65 under 35 U.S.C. 103(a) as being unpatentable over US patent number 5,946,664 (hereinafter "Ebisawa"), in view of US patent number 5,946,664 (hereinafter "Margulis"). To establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. *In re Ryoka*, 180 U.S.P.Q. 580 (C.C.P.A. 1974). See also *In re Wilson*, 165 U.S.P.Q. 494 (C.C.P.A. 1970).

The Ebisawa reference either alone or in combination with the Margulis reference fails to disclose, teach, or suggest the "virtual products being commercial items" and the "update the location of the virtual product", as recited in claims 19, 26, 33, and 55 of the instant application, from which claims 57-65 properly depend. Margulis is offered for teaching the replacement of objects including a commercial item but fails to disclose, teach, or suggest updating the location of the virtual product. Therefore, the combination of Ebisawa with Margulis fails to carry the burden of obviousness. Thus, Applicant respectfully requests the withdrawal of the §103(a) rejection and allowance of the claims 57-65.

## **CONCLUSION**

The application is respectfully submitted to be in condition for allowance. Accordingly, notification to that effect is earnestly solicited. Applicants reserve the right to amend the claims back to the original form for further prosecution, without prejudice, disclaimer or estoppel. In the event that issues arise in the application that may readily be resolved via telephone, the Examiner is kindly invited to contact the undersigned Attorney at (402) 496-0300 to facilitate prosecution of the application.

Respectfully submitted,

Gateway Inc.,

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By: \_\_\_\_\_



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